

**REPORT BY THE
AUDITOR GENERAL
OF CALIFORNIA**

**LOS ANGELES COUNTY NEEDS TO IMPROVE
ITS SERVICES TO FOSTER CHILDREN AND
THE STATE NEEDS TO IMPROVE ITS OVERSIGHT
OF THE COUNTY'S FOSTER CARE PROGRAM**

**Los Angeles County Needs To Improve Its Services
to Foster Children and the State Needs To Improve
Its Oversight of the County's Foster Care Program**

P-927, December 1990

**Office of the Auditor General
California**



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P-927

Honorable Ken Maddy, Vice Chairman
Members, Joint Legislative Audit Committee
State Capitol, Room 305
Sacramento, California 95814

Dear Mr. Vice Chairman and Members:

The Office of the Auditor General presents its report concerning the Los Angeles County foster care program and the State's oversight of this program. The report indicates a need for Los Angeles County to adhere to foster care visitation and medical records requirements and to ensure that overplacement of children in foster homes does not occur. Furthermore, the State needs to improve its oversight of the Los Angeles County foster care program, to reduce the time taken to process license revocations against foster parents, and to take the steps necessary to claim all federal funds due to the State for administering the foster care program.

Respectfully submitted,

KURT R. SJOBERG
Auditor General (Acting)

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Summary

Results in Brief The Los Angeles County Department of Children's Services (county) needs to make significant improvements in providing services to foster children, and the Department of Social Services (department) needs to improve its oversight and administration of the county's foster care program. During our review, we noted the following conditions:

- The county is not complying with visitation and medical history requirements;
- The county may be placing more foster children in foster homes than the law allows;
- The department did not conduct compliance audits of the county's foster care program every three years as required and did not ensure that the county corrected deficiencies found during the last compliance audit;
- The department takes an average of 12 months to process requests for license revocations against foster parents who may be neglecting or abusing children in the county; and
- The department failed to take the necessary steps to claim an estimated \$156 million in federal funds from March 1987 to June 1, 1990, for administering the State's foster care program in all 58 counties.

Background

The purpose, in part, of the Child Welfare Services program is to prevent or remedy the neglect, abuse, or exploitation of children while preventing the unnecessary separation of children from their families by assisting families in resolving their problems. State law establishes and defines four programs within Child Welfare Services: Emergency Response, Family Maintenance, Family Reunification, and Permanent Placement. Foster care, that is, out-of-home placement of the children, essentially occurs in the Family Reunification and Permanent Placement programs. State law requires the Child Welfare Services programs of counties to be operated in accordance with regulations established by the department. The department is required to ensure that counties comply with state requirements for each program.

The funding for the Child Welfare Services program and cash assistance payments for foster children comes from federal, state, and county sources. The total state budget for Child Welfare Services and cash assistance for foster children for fiscal year 1989-90 was \$1.148 billion. The budget for Child Welfare Services and cash assistance for foster children for fiscal year 1989-90 for Los Angeles County was \$351 million, or 31 percent of the total budget. The department estimated that, as of June 30, 1990, 69,544 children were in the Family Reunification and Permanent Placement programs in the State. Approximately 30,142 (43 percent) of these children reside in the county.

**The County Is
Not Complying
With Visitation
and Medical
History
Requirements**

The county is not providing some foster care services to children in accordance with state laws and regulations. In our review of 40 foster care cases, we found that social workers made only 194 (41 percent) of the 469 required face-to-face visits with foster children. Further, the social workers made only 48 (26 percent) of the 182 required face-to-face visits with the parents or guardians of the children and made only 243 (44 percent) of the 546 required contacts with the foster parents. One of the children in our review had not been seen by a social worker for 17 months. We found that the lack of visits and contacts is due, in part, to the excessive caseloads being managed by county social workers. However,

those excessive caseloads could be significantly reduced if the county filled all of the social worker positions authorized by its budget. Moreover, the county did not spend \$2.7 million of its state Child Welfare Services allocation for fiscal year 1989-90. This amount could have been used to hire more social workers. Another cause is that the department is not adequately monitoring the county, as we discuss in Chapter 3 of this report.

In addition to not complying with visitation requirements, the county did not comply with medical history requirements. We found that none of the 40 cases that we reviewed contained all the required documentation regarding the foster children's medical histories. Moreover, we surveyed 36 foster parents in the cases we reviewed, and 26 (72 percent) informed us that they did not receive a medical history for the child at the time of placement. Furthermore, we reviewed the county's internal compliance reviews for the period from May 1988 through July 1989. The reviews noted several deficiencies. For example, social workers did not always develop service plans within the required time and did not always obtain the parent's or guardian's signature on the latest plan. Also, we found the county does not have a formalized corrective action process to correct the deficiencies it finds.

Because of the county's failure to comply with state requirements, children may not be receiving critically needed services and so may be facing additional risk to their physical and emotional well-being and may be placed in long-term foster care unnecessarily.

**The County
May Be
Overplacing
Foster Children
in County
Foster Homes**

We found that the county may be placing more foster children in foster homes than is allowed by law. Specifically, state law allows no more than three special needs foster children requiring special in-home health care to be placed in a foster home. However, we found that, of an estimated 1,730 homes for which the county reported making payments for children with special health care needs, 148 (nearly 9 percent) of these homes may be caring for more than three special needs children. For instance, one foster

parent was reported to be receiving foster care payments for six children with special health care needs. Foster homes may be caring for too many special needs children because the county has not yet implemented the laws that limit the number of special needs children in foster homes. Additionally, through its own study, the county found that 7 of the approximately 3,900 foster homes in the county were caring for more foster children than the law allows. The county placed more foster children in foster homes than the law allows because, according to a county administrator, social workers do not always follow county placement procedures. As a result of placing more foster children in foster homes than the law allows, children may not be receiving adequate or appropriate care.

**The
Department
Needs To
Improve Its
Oversight of
Foster Care**

The department needs to improve its monitoring of the counties' foster care programs. The department did not conduct compliance audits of the county's foster care program every three years as required and did not ensure that the county corrected deficiencies found during the last compliance audit. The department conducted its last statewide compliance review of Child Welfare Services in 1986 and found 37 counties out of compliance, including Los Angeles. However, the department did not request corrective action plans from the counties until July 31, 1989, to be submitted by November 1, 1989. Twenty-four of the 37 counties, including Los Angeles, submitted corrective action plans to the department, but as of August 29, 1990, the department has not reviewed or ensured the implementation of these plans, nor has it conducted another compliance review to determine whether the problems found in 1986 still exist. For example, the department's compliance review of Los Angeles County during 1986 found that the county did not conduct all required visits with foster children, and, as we discuss in Chapter 1 of this report, the county still is not making all the required visits. As a result of these conditions, the department is not ensuring that Los Angeles County is providing adequate services to foster children and families to safeguard the children's growth and development and to facilitate family reunification. Moreover, the department may be in danger of

having more than \$78 million in federal funds withheld because the federal government can withhold funds from a state that does not comply with its state plan.

**The
Department
Has a Slow
License
Revocation
Process**

State law requires that the department promptly process requests from the county for license revocations of foster homes. However, as of May 1990, the department had 48 pending license revocations from our review of 148 requests from the county, 27 (56 percent) of which are more than 12 months old. Also, we found that for the 100 processed requests for license revocations, the department averaged more than 12 months to process them. As a result, foster parents continue to care for foster children after a complaint of a serious nature, such as physical and sexual abuse, has been substantiated against the foster parent. Foster parents who continue to care for foster children under these circumstances may endanger the lives of the foster children.

For example, on February 22, 1989, the county requested the department to revoke the license of a foster parent who whipped her foster children with an extension cord and a belt. However, the county continued to place foster children in this home. For instance, on March 23, 1989, the county placed a foster child in this home and allowed the child to live there as late as August 6, 1990. Furthermore, on April 5, 1989, the county placed another foster child in the home. This child remained in the home until April 10, 1989. Finally, the county placed yet another foster child in this home on April 21, 1989, who was not removed until August 6, 1990. As of September 25, 1990, the revocation against this foster parent's license was still pending.

**The
Department
Failed To Claim
Federal Funds**

The department has failed to take the necessary steps to claim an estimated \$156 million in federal Title IV-E funds for administering the State's Child Welfare Services program from March 1987 to June 1, 1990. As a result, the State has already lost an estimated \$76 million for costs incurred before October 1, 1988, because the deadline for claiming these past costs expired as of October 1, 1990. Also, the State could lose the remaining approximately \$80 million for costs incurred between October 1988 and June 1990 unless the department claims these costs within two years of the quarters in which they were incurred. The Adoption Assistance and Child Welfare Act of 1980, Public Law 96-272, enacted Part E of the Social Security Act, entitled, Federal Payments for Foster Care and Adoption Assistance. This entitlement provides funding for the proper administration of the program as well as cash assistance payments for eligible needy children in foster care. Until March 1987, the federal Department of Health and Human Services only allowed administrative costs incurred by states for children who ultimately became recipients of foster care. However, in March 1987, the Grant Appeals Board of the federal Department of Health and Human Services issued a decision that stated that administrative costs incurred on behalf of candidates for foster care who do not ultimately become recipients of foster care are eligible for reimbursement of Title IV-E funds. However, it has taken the department until June 1990 to revise its cost allocation plan to reflect these additional administrative costs, and, as of September 12, 1990, it still has not submitted a claim.

**Recommen-
dations**

To ensure that the foster care program of the Los Angeles County Department of Children's Services meets state requirements, the county should take the following actions:

- Hire additional social workers to fill all the positions authorized by its budget;

- Enforce state law, regulations, and county policies that require social workers to comply with visitation and medical history requirements and to place foster children appropriately; and
- Develop and implement corrective action plans to correct deficiencies found during its internal reviews.

To ensure that the counties' foster care programs, including Los Angeles County's, meet state requirements and that the State receives all available federal funds, the Department of Social Services should take the following actions:

- Monitor the county's progress in complying with state laws that allow no more than three special needs children to be placed in a foster home;
- Conduct statewide compliance reviews of the Child Welfare Services program as required;
- Develop formal procedures for ensuring that counties take corrective action once the department has determined that the counties are out of compliance with state regulations;
- Establish formal procedures for the timely processing of license revocations against foster parents; and
- Aggressively pursue all available federal funding.

**Agency
Comments**

The Department of Social Services responded to our report by outlining the corrective actions that it has taken and is going to take to address our findings. Los Angeles County responded that it generally agreed with our findings and described its ongoing and future actions to correct the deficiencies we noted.

Introduction

The Department of Social Services (department) administers the State's Child Welfare Services program, which includes services to children in foster care. California's 58 counties are responsible for directly providing child welfare services through their county welfare departments in accordance with federal and state laws and regulations, and the department is responsible for ensuring and monitoring counties' compliance with these laws and regulations.

Federal Legislation

In 1980, the federal government enacted the Adoption Assistance and Child Welfare Act of 1980. The intent of the legislation was to lessen the emphasis on foster care placement and to encourage greater efforts to find permanent homes for children either by making it possible for them to return to their own families or by placing them in adoptive homes.

For a state to be eligible for federal foster care funds, federal law requires that reasonable efforts will be made before the placement of a child in foster care to prevent or eliminate the need for removal of the child from his or her home. The law also requires that reasonable efforts will be made after removal of the child from his or her home to make it possible for the child to return. Further, the law requires that each child receiving foster care maintenance payments have a case plan, that the status of each child is reviewed at least once every six months by either a court or an administrative review, and that a dispositional hearing

will be held no later than 18 months after the original placement to determine whether the child should be returned to the parent, continued in long-term foster care, or placed for adoption.

**State
Legislation**

In 1982, the California Legislature enacted Chapter 978, Statutes of 1982, which restructured the State's Child Welfare Services program, bringing it into conformity with federal law. The purpose, in part, of the Child Welfare Services program is to prevent or remedy the neglect, abuse, or exploitation of children while preventing the unnecessary separation of children from their families by assisting families in resolving their problems. State law establishes and defines four programs within Child Welfare Services and requires the counties to operate them in accordance with the department's regulations.

Components of Child Welfare Services:

The four programs established by state law are divided into two groups, preplacement preventive services and placement services. Preplacement preventive services are designed to help children remain with their families by preventing or eliminating the need for removal. The Emergency Response program and the Family Maintenance program comprise preplacement preventive services. Placement services consist of the Family Reunification program and the Permanent Placement program. Foster care, that is, the out-of-home placement of the child, essentially occurs in the Family Reunification and Permanent Placement programs.

The Emergency Response Program:

This program provides in-person response, 24 hours a day, seven days a week, to reports of abuse, neglect, or exploitation. State law requires that the services provided in the Emergency Response program include initial intake, crisis intervention, counseling, emergency shelter care, and transportation.

The Family Maintenance Program:

This program provides temporary protective services to prevent or remedy neglect, abuse, or exploitation, for the purpose of preventing the separation of children from their families. State law requires that the services provided in the Family Maintenance program include counseling, emergency shelter care, temporary in-home caretakers, out-of-home respite care, instruction in homemaking abilities and parenting, and transportation.

The Family Reunification Program:

This program provides temporary foster care services to prevent or remedy neglect, abuse, or exploitation when the child cannot safely remain at home and while services are provided to reunite the family. State law requires that the services provided in the Family Reunification program include counseling, emergency shelter care, instruction in homemaking abilities and parenting, and transportation.

The Permanent Placement Program:

This program provides an alternate, permanent family structure for children who, because of abuse, neglect, or exploitation, cannot safely remain at home and are unlikely ever to return home. State law requires that the services provided in the Permanent Placement program include emergency shelter care.

**Licensing
of Foster
Parents and
Investigation
of Complaints**

The department is responsible for licensing foster homes and for ensuring that the foster homes comply with state laws and regulations. As of October 1, 1990, the department contracted with 47 of the 58 counties in the State for licensing foster homes and investigating complaints against foster parents. The department takes enforcement actions, such as license revocations, against foster parents. The department contracted with the Los Angeles County Department of Children's Services (county) for licensing

and for investigating complaints from 1967 through September 30, 1990. However, because the department found that the county failed to comply with state licensing and investigation requirements, the department discontinued contracting with the county for these activities. The department currently licenses foster homes and investigates complaints against foster parents in the county.

As of May 1990, there were approximately 3,900 licensed foster homes in the county. Additionally, approximately 30 licensed foster family agencies are licensed to certify foster homes in the county. These foster family agencies certified approximately 900 foster family homes. Foster family agencies are private, nonprofit organizations or individuals that recruit, certify, train, and provide professional support to foster parents, in whose homes foster children are placed.

**Funding for
Child Welfare
Services**

Funding for the Child Welfare Services program is available for providing program services and cash assistance for children placed out of the home. The funding comes from federal, state, and county sources. For those expenses that are eligible for federal reimbursement, the federal government will pay 50 percent, and the State will reimburse the counties for 95 percent of the remainder. This results in a funding ratio of 50 percent federal, 47.5 percent state, and 2.5 percent county. For those expenses that are not eligible for federal reimbursement, the funding ratio is 95 percent state and 5 percent county.

The total state budget for the Child Welfare Services program and cash assistance for foster children for fiscal year 1989-90 was \$1.148 billion. Appendix A shows the total federal, state, and county funding for the program's services and cash assistance payments for foster children for the last three years. The budget for the Child Welfare Services program and cash assistance payments for children in foster care for the Los Angeles County Department of Children's Services for fiscal year 1989-90 was \$351 million, or 31 percent of the total state budget.

**Number of
Children in
Foster Care**

The department estimated that as of June 30, 1990, 69,544 children were in the Family Reunification and Permanent Placement programs in California. The department also estimated that 30,142 (43 percent) of those children reside in Los Angeles County.

**State
Emergency
Assistance
Program**

The Social Security Amendments of 1967 allow states the option of establishing emergency assistance as a component of the Title IV Aid to Families With Dependent Children (Emergency Assistance). Under the Emergency Assistance program, federal funds are available to families where both parents are present and able-bodied or employed but a child is threatened by destitution or homelessness because of an emergency situation. Federal funds are also available when a child is being abused, neglected, or exploited or is in immediate danger of being abused, neglected, or exploited.

According to the department's chief of the Financial Management Services Branch, the department began claiming federal Emergency Assistance funds in 1982. However, in 1985 the federal Department of Health and Human Services began conducting compliance reviews of the State's Emergency Assistance program and found the State out of compliance with federal program requirements. The chief further stated that, commencing with the December 1985 quarter, the federal government deferred all federal funds for the State's Emergency Assistance program. As of December 1, 1989, the department estimated that the deferrals will total approximately \$110 million for claims submitted for 1985 through 1990. On December 4, 1989, the department signed an agreement with the federal Department of Health and Human Services that will reimburse the State for 44.9 percent of the 1985 claims and 47.4 percent for claims submitted for 1986 through 1990. In addition, the agreement stated that the State would no longer claim federal funds for emergency services to neglected and abused children. As of April 20, 1990, the State received \$11.7 million of the settlement. Also, legislation was enacted that repeals California's Emergency Assistance program effective September 1990.

Scope and Methodology

The purpose of this audit was to determine whether the Los Angeles County Department of Children's Services (county) is complying with federal and state laws and regulations that govern the State's foster care program and to determine whether the department is providing adequate administrative oversight to ensure that foster children in the county are cared for appropriately. We also reviewed the department's efforts to obtain all the available federal funds for the administration of the State's foster care program.

To determine whether the county is complying with federal and state laws and regulations related to the Child Welfare Services program, we reviewed applicable federal laws, state codes, department regulations, and county policies and procedures. We reviewed the county's internal compliance reviews, including its methodology, results, and corrective action process.

To determine the extent of compliance with state regulations for visitations and medical records, we reviewed a random sample of 40 foster care cases, 20 in the Family Reunification program and 20 in the Permanent Placement program, in one of the six regions in the county for the period from January 1988 through April 1990. We drew this random sample of cases from a list of active Family Reunification and Permanent Placement cases that was generated by the county's automated case management system on May 11, 1990. We did not test the accuracy or completeness of the county's automated system. We also surveyed the foster parents of the children in our sample of cases to determine whether the county had provided them with the foster children's medical histories at the time of placement.

To determine the cause for the deficiencies we found in our review, we interviewed social workers and county officials who are responsible for enforcing state regulations and county policies. We also determined the caseloads of the social workers who managed the cases that we reviewed, and we reviewed county audit reports that also tracked social worker caseloads. Further, we determined the number of social workers authorized by the

county's budget and compared that with the number of social workers on the job during April 1990, the last month of our review period. Additionally, we reviewed the county's claims for expenditures for the Child Welfare Services program.

To determine whether the county is complying with state laws and regulations and county procedures for placing foster children in foster homes, we reviewed the state regulations for foster home capacity, the state legislation for foster children with special medical needs, and the county procedures for placing foster children in foster homes. We also contacted county licensing workers, placement social workers, and administrative personnel. In addition, we contacted department officials responsible for licensing foster homes. Further, we reviewed county licensing files, county foster home investigative files, the county's automated system for tracking foster children, the county's automated payment system, the county's automated children's information system, and other county records.

To determine whether the department is providing adequate administrative oversight of the county's Child Welfare Services program, we reviewed the federal laws related to Child Welfare Services, the Title IV-B Child Welfare Services State Plan, and the department's regulations and policies for oversight responsibilities, including compliance reviews and corrective action processes. We also contacted federal and state officials responsible for the operation of the Child Welfare Services program. Further, we reviewed the department's previous compliance reviews of Child Welfare Services in the county, including its methodology, results, and corrective actions taken up to June 1, 1990.

To determine whether the department is promptly processing requests from the counties for license revocations against foster parents, we reviewed the state laws and regulations for suspending and revoking foster home licenses. In addition, we reviewed department procedures for processing requests for revocations. Also, we contacted department officials who are responsible for enforcing state and department regulations. Further, we reviewed

the department's foster home investigative files, and we reviewed its automated system, which lists license revocations taken against foster parents.

To determine whether the department is claiming all the available federal funds for the State's foster care program, we reviewed the federal laws and regulations governing funding for foster care services. In addition, we reviewed federal grant and claiming procedures. We also reviewed department studies on the availability of federal funding and the decision of the Grant Appeals Board of the federal Department of Health and Human Services concerning the State of Missouri's claim for administrative costs incurred on behalf of candidates for foster care who do not ultimately become recipients of foster care. We reviewed the decision to determine whether California can claim additional federal money for its costs incurred on behalf of candidates for foster care who do not ultimately become recipients for the period from March 1987 to June 1, 1990. Further, we contacted federal and state officials who are responsible for the administration of the Child Welfare Services program in the State of California and Los Angeles County. In addition, we contacted other states that receive federal funding for the Child Welfare Services program. We also contacted the executive director for the County Welfare Directors' Association concerning funding issues for children's welfare programs. Finally, we reviewed the state and county budgets and the claims for expenditures for Los Angeles County for the Child Welfare Services program.

Chapter 1 Los Angeles County Is Not Complying With Visitation and Medical History Requirements

Chapter Summary

The Los Angeles County Department of Children's Services (county) is not providing some foster care services to children in accordance with state laws and regulations. In our review of foster care cases in one of six regions in the county, we found that social workers failed to conduct all of the required face-to-face visits with foster children and parents and failed to maintain all required contacts with foster parents. One of the children in our review had not been seen by a social worker for 17 months. We found that this deficiency was due, in part, to the excessive caseloads of county social workers. However, the caseloads could be reduced significantly if the county filled all of the social worker positions authorized by its budget. Moreover, the county did not spend \$2.7 million of its state Child Welfare Services allocation for fiscal year 1989-1990 although it could have been used to hire more social workers. Another reason why the county is not conducting all of its face-to-face visits with foster children is that the Department of Social Services (department) is not adequately monitoring the county. As we discuss in Chapter 3 of this report, the department found the problem in its last compliance review of the county in 1986. However, the department did not ensure that the county corrected it. In addition, we found that none of the cases that we reviewed contained all the required documentation regarding the foster children's medical history, and many of the foster parents informed us that they had not received a medical history for the child at the time of placement. Further, the county conducted compliance reviews of its foster care program to ensure that it complied with federal and state laws and regulations and found several deficiencies. For example, social workers did not always develop service plans within the required time and did

not always obtain the parent's or guardian's signature on the latest service plan. Also, we found the county does not have a formalized corrective action process to correct the deficiencies it finds.

Because of the county's failure to comply with state requirements, foster children may not be receiving critically needed services and so may be facing additional risk to their physical and emotional well-being, and they may be placed in long-term foster care unnecessarily.

**The County's
Lack of
Compliance
With Visitation
Requirements**

State regulations and the county's policies for the state foster care program, which consists of the Family Reunification and Permanent Placement programs, require periodic visitations by the social worker with the foster child, the parents or guardians from whom the child has been removed, and the foster parents. Sections 30-342 and 30-442 of the department's Division 30 Regulations and Sections 3030 and 4015 of the county's Children's Services Handbook require the social worker to make face-to-face contact with each child in placement at least monthly, unless certain specified conditions that justify less frequent contacts are documented. These state regulations and county policies also require the social worker to make contact at least monthly, not necessarily face-to-face, with the foster parent. Additionally, the regulations require the social worker to make face-to-face contact at least monthly with the parents or guardians of the foster children in the Family Reunification program, unless the case records contain documentation justifying less frequent contacts. The regulations do not require the social workers to maintain contact with the parents or guardians from whom children in the Permanent Placement program have been removed.

We reviewed 40 foster care cases, 20 from the Family Reunification program and 20 from the Permanent Placement program, in one of the six regions in the county for the period from January 1988 through April 1990, and we found that social workers are not making all of the required visits or contacts. In our review, social workers made only 194 (41 percent) of the 469 required

face-to-face visits with the foster children. One of the children in our review had not been seen by a social worker for 17 months. Further, the social workers made only 48 (26 percent) of the 182 required face-to-face visits with the parents or guardians of children in the Family Reunification program and made only 243 (44 percent) of the 546 required contacts with the foster parents in both programs. Table 1 shows the number of visits or contacts required by state regulations compared with the number of visits or contacts that social workers made from January 1988 through April 1990 for the 20 Family Reunification and 20 Permanent Placement cases we reviewed.

Table 1 The Number of Visits or Contacts Required By the Foster Care Programs Compared With Those Made

Contacts With	Family Reunification (20 cases)			Permanent Placement (20 cases)		
	Required	Made	Percent	Required	Made	Percent
Foster children	187	92	49%	282	102	36%
Parents or guardians	182	48	26	*	*	*
Foster parents	189	97	51	357	146	40

*Social workers are not required to visit the parents or guardians of the children in the Permanent Placement program.

One of the major reasons social workers do not make all the required visits or contacts in the Family Reunification and Permanent Placement programs is because many of them are managing caseloads that exceed caseload standards. For budgeting purposes, the department assumes a caseload standard of 27 cases for each social worker in the Family Reunification program and 54 cases for each social worker in the Permanent Placement program. The county has established, through its Memorandum of Understanding with a union representing the social workers, a caseload standard of 50 cases per social worker in the Family

Reunification program and 50 cases per social worker in the Permanent Placement program. In contrast, the 16 county Permanent Placement social workers, who managed 18 of the 20 Permanent Placement cases we reviewed, had caseloads of up to 88 children. Only one of the social workers had a caseload of less than 50, and 11 had caseloads of 60 or more children. The 18 county social workers who managed the 20 Family Reunification cases we reviewed had caseloads of up to 72 children. The average caseload of the social workers in both programs was almost 60 children. In addition, in its May 1990 county-wide Visitation Review, the county found that county social workers were managing caseloads of up to 88 children in the Permanent Placement program and up to 97 children in the Family Reunification program.

Many of the social workers are managing caseloads in excess of the caseload standards, in part, because the county is not filling all the social worker positions authorized by its budget. For instance, in April 1990, the last month of our review period, the six regions of the county were authorized 1,309 social worker positions but had filled only 1,064 of those positions. The caseloads for all Family Reunification and Permanent Placement social workers would have been significantly less during April 1990 if the county had filled all of the social worker positions authorized by the budget. In addition, the county did not spend \$2.7 million of its state Child Welfare Services allocation for fiscal year 1989-1990, which could have been used to hire more social workers.

According to the budget officer for the Los Angeles County Department of Children's Services, the county was unable to find needed social workers although it maintained an extensive recruitment program. The inability to find the needed staff, as well as the lag time between the hiring date and the actual start date, resulted in vacancies in social worker staff within the county.

Moreover, the county did not conduct all the required face-to-face visits with foster children, in part, because the department is not sufficiently monitoring the county. As we discuss in Chapter 3 of this report, the department found the problem of infrequent

face-to-face visits in its last compliance review of the county in 1986. However, the department did not ensure that the county corrected the deficiency.

**The County's
Lack of
Compliance
With Medical
History
Requirements**

Sections 30-376 and 30-476 of the department's Division 30 Regulations require that foster care case records contain medical and dental reports. Also, Sections 30-338 and 30-438 of the department's Division 30 Regulations and Section 9110 of the county's Children's Services Handbook require the social worker to give the foster child's medical history to the foster parent before placement. In addition, Section 9120 of the county's Children's Services Handbook establishes the county's policy on the minimum requirements for the contents of a health history, if such information is available. To meet the requirements listed above, Section 9230 of the county's Children's Services Handbook requires that a copy of the "Foster Child Medical Passport" (medical passport) be maintained in the foster care case records. A medical passport is a county form that is used to record and document health history data for foster children. Also, Section 9230 of the county's Children's Services Handbook requires the social worker to give the foster parent the child's medical passport at the time of placement.

In our review of a total of 40 Family Reunification and Permanent Placement case records in one of six regions in the county, we found that none of the case records contained a medical passport. Also, of the 40 case records, 18 (45 percent) contained no medical information while 22 (55 percent) contained incomplete medical histories. Additionally, we surveyed 36 foster parents, and 26 (72 percent) informed us that they did not receive a medical history for the foster child at the time of placement. As of the time of our survey, 22 (61 percent) of the foster parents informed us that they still did not have the medical histories of the foster children for the time before they were placed in their homes.

The county conducted its own survey to determine the reasons for noncompliance with medical history requirements. According to the children's services administrator, who is responsible for the survey, social workers were unaware of the medical passports or were unaware that they were mandatory, and county management has not considered medical histories a priority.

**The County's
Compliance
Review
Process
Reveals
Deficiencies**

Section 16501 of the Welfare and Institutions Code requires the counties to provide Child Welfare Services in accordance with state regulations established by the department. To determine whether counties are administering their Child Welfare Services programs according to state laws and regulations, the department developed a case review manual. This manual contains 20 compliance review questions for the Family Reunification program and 13 questions for the Permanent Placement program. Appendix B lists the compliance review questions for each program.

To ensure that the county complies with federal and state laws and regulations, the county conducts internal compliance reviews using the compliance review questions contained in the department's case review manual. The county reviews two randomly selected cases from each social worker's caseload. We reviewed the county's internal compliance efforts for the period from May 1988 through July 1989, consisting of one compliance review in each of the six regions of the county. These compliance reviews found several deficiencies. For example, in the Family Reunification program, social workers did not always develop a service plan within the required time and did not always obtain the parent's or guardian's signature on the latest plan. A service plan identifies services to be provided to the minor and his or her family and describes the actions to be taken by the parent or guardian and the county to achieve family reunification. In the Permanent Placement program, social workers also did not always develop the initial service plan within the required time and did not always visit the child in the required time.

The county also conducts reviews to determine whether visitations between social workers and foster children and parents are conducted as required by state regulations. As of April 1990, the county's visitation review found that a sample of social workers in all six regions of the county did not make 36 percent of the required foster child visits and 52 percent of the required parent visits.

State regulations also require counties to correct the deficiencies found during their reviews. Section 10-152 of the department's Operations Regulations requires counties to determine a corrective action process that includes specific schedules explaining when corrective action will occur. However, even though the county conducts reviews of its Family Reunification and Permanent Placement programs, the county does not have a formalized corrective action process. The review reports provided by the children's services administrator of the Audits and Appeals Section do include a summary and recommendation section; however, this section only addresses some of the problems that appear in each region. This section does not explain the cause of continuing problems, what actions will be taken by whom to correct the problem, and when the corrective actions will take place.

**Effects of
Noncompliance**

As a result of the county's not complying with state regulations, foster children's growth and development may not be safeguarded and so they may face additional risk to their physical and emotional well-being. For example, state regulations require the social worker to monitor the child's physical and emotional condition and take necessary action to safeguard the child's growth and development while in placement. However, when the social worker does not make all the required face-to-face visits with the foster child, the social worker may not be able to adequately monitor the child's physical and emotional condition and may fail to take necessary action to safeguard the child's growth and development while in placement.

In addition, the goal of the Family Reunification program is to reunite children with their parents, thereby preventing the placement of children in long-term foster care. When the social worker fails to make all the required contacts with the parents, the social worker may not adequately monitor the parent's progress in complying with the court ordered plan for reunification and the likelihood of reunifying the family may be diminished. Therefore, more children may be placed in long-term foster care at a greater expense to the State.

Further, the lack or inadequacy of a documented health history increases health risks for foster children. Several studies have demonstrated that foster children are more likely than other children to suffer from acute and chronic medical problems. To enable social workers to place the child in an appropriate setting and to enable foster parents to ensure appropriate health care for the child, access to the child's medical history and the results of the child's initial medical examination are critical, according to the Child Welfare League of America. It is especially important for the social worker to have access to the child's medical history when the child experiences multiple placements. Without the medical history, a chronic medical problem could go undetected, further exacerbating the child's health problems. The child could also be subjected to duplication of services, for example, repeated immunizations, which are an added health risk.

Conclusion The Los Angeles County Department of Children's Services is not adequately managing its foster care programs and ensuring that county social workers comply with all state regulations. We found that social workers failed to conduct all of the required contacts with foster children, parents, and foster parents as frequently as state regulations require. We found that one of the causes of this deficiency was that some social worker caseloads are excessively high. However, the caseloads could be reduced significantly if the county filled all the positions authorized by its budget. Moreover, the county did not spend \$2.7 million of its state allocation for

fiscal year 1989-1990, which could have been used to hire social workers. In addition, the social workers are not always maintaining medical histories in the foster children's files or providing the histories to foster parents at the time of placement. Further, the county conducted its own compliance reviews and found deficiencies. Also, the county does not have a formal corrective action process to correct the deficiencies it finds. As a result of the county's failure to comply with state requirements, foster children may not be safeguarded and the likelihood of family reunification may be diminished.

Recommendations

To ensure that the foster care program of the Los Angeles County Department of Children's Services meets state requirements, the county should take the following actions:

- Fill all the social worker positions authorized by its budget;
- Enforce state regulations and county policies that require social workers to periodically visit foster children and parents face-to-face and to periodically contact foster parents;
- Enforce state regulations and county policies that require social workers to maintain medical histories in the foster children's case files and to provide these histories to the foster parents at the time of placement; and
- Develop and implement corrective action plans to correct the deficiencies found during the internal reviews. These plans should include the reasons for the deficiencies, the corrective actions to implement, and the deadlines for implementation.

Chapter 2 Los Angeles County May Be Placing More Children In Foster Homes Than the Law Allows

Chapter Summary

The Los Angeles County Department of Children's Services (county) is responsible for placing foster children into licensed foster homes and for ensuring that county social workers do not overplace foster children in these homes. However, we found that the county may be placing more foster children in foster homes than is allowed by law. Specifically, state law allows no more than three foster children who have special health care needs requiring special in-home health care to be placed in a foster home. However, we found that, of an estimated 1,730 homes for which the county reported making payments for children with special health care needs, 148 (nearly 9 percent) of these homes may be caring for more than three special needs children because the county has not yet implemented the laws that limit the number of special needs children in foster homes. Additionally, the county also conducted its own study to determine whether any foster homes were overcapacity. The county found that 7 of the approximately 3,900 foster homes in the county were caring for more foster children than the law allows. As a result of placing more foster children in foster homes than the law allows, children may not be receiving adequate or appropriate care.

**The County
May Be Placing
Too Many
Foster Children
in Homes**

Section 1502 of the Health and Safety Code defines a foster home as any residential facility that provides 24-hour care for six or fewer foster children that is owned, leased, or rented and is the residence of the foster parent or parents, including their family, in whose care the foster children have been placed.

However, Section 1507.5 of the Health and Safety Code requires that no more than two children with special medical needs (special needs children) be placed in a foster home at one time. Section 17710 of the Welfare and Institutions Code defines special needs children as dependents of the court who have medical conditions that require special in-home health care including the following: intravenous or oral medication, injections, internal feeding tubes, and other medical or surgical procedures that leave the foster child in need of ongoing health care and assessment. Section 17732 of the Welfare and Institutions Code, effective October 2, 1989, only allows for a third special needs child when either no other placement is available, the psychological and social needs of the children in placement and the child placed will be met by the placement, or the health care plan team responsible for the ongoing care of each child involved has waived the two-child limit.

In addition, Title 22, Section 87028 of the California Code of Regulations, states that a license must be issued for a specific number of children based on an application review by the licensing agency. This review must take into consideration, among other factors, any other household members, including children who are legal wards residing at the facility, and their individual needs. A legal ward is a person who is being taken care of by someone who has been appointed by a court as a legal guardian to care for the person. This section also provides that the licensing agency has the authority to decrease the existing licensed capacity when it determines that the foster parent's responsibilities to other persons in the home would preclude adequate care for children placed in the home. Similarly, the department's policy on capacity determination states that, generally, the capacity of a foster home should be reduced by one for every household member whose

needs require care in an amount similar to that required by other community care clients with similar needs. For example, if a foster home is licensed to care for four foster children and two of those four children subsequently become legal wards requiring the same amount of care, the license capacity may be reduced to two.

Furthermore, social workers are required to follow certain county procedures when trying to select a foster home for a child. Section 4600.1 of the county's Children's Services Handbook states that the county's unit that operates the automated system that tracks foster children and vacancies in foster homes must be contacted when selecting a foster home to ensure that the home has a vacancy, that the vacancy is not being held for another child, and that no placement limitations have been put on the home. Also, the director of the Los Angeles County Department of Children's Services stated in an all-staff letter on January 12, 1990, that it is essential that all children placed in and removed from foster homes be processed through the county's automated system for tracking foster children. He further stated that this will enable the county to maintain an accurate accounting of foster home vacancies throughout the county.

To determine the number of homes in the county in which there may be more than three special needs children living in the home, we asked the county for a list of all its special needs children. The county could not provide a list, so we reviewed a schedule on which the county reported payments to foster parents for children with special health care needs. This schedule shows an estimated 1,730 homes for which the county reported making foster care payments for children with health care needs and lists the children for which the county reported making the payments. We identified those homes on the list where there were more than three children for whom the county reported making foster care payments for special health care needs.

As of August 7, 1990, we found that 148 (nearly 9 percent) of the 1,730 homes in the county may be providing care for more special needs children than is allowed by law. However, some of the children in these 148 homes may include legal wards, who are not included in the definition of a special needs child as stated in Section 1507.5 of the Health and Safety Code. Additionally, some of these children may not qualify as a special needs child even though the county reported making foster care payments for special health care needs on behalf of these children. Consequently, there may be fewer than 148 homes with more than three special needs children. Nevertheless, one of the 148 foster parents was reported to be receiving foster care payments for six children who have either severe emotional, behavioral, physical, or mental problems requiring special care. One of these children is reported to be medically fragile and requires highly specialized care. Another foster home was reported to be receiving foster care payments for four children living in the home who have exceptional medical needs and require highly specialized care and intensive medical follow-up.

Social workers may be allowing more special needs children in foster homes than the law allows because the county has not yet implemented the laws for limiting the number of special needs children in foster homes. The law that limits the number of foster children with special needs required counties to submit to the department by April 1, 1990, a plan to place these children in foster homes. However, the county did not submit its plan to place children with special needs until October 5, 1990, over six months later. Further, according to the county's assistant director for the Bureau of Placement Development, the county is waiting for more specific guidelines from the department on whether the county should handle any overcapacity situations by attrition or removal of the children. In addition, the law limiting special needs foster children requires the department to adopt emergency regulations to implement the law. However, according to the department's chief of the Family and Children's Policy Bureau, the department has not adopted these emergency regulations because the department believes that the codes are specific enough for the counties to interpret and implement the laws.

The county also conducted its own study to determine whether any foster homes were overcapacity, either homes with or without special needs children. Specifically, in February 1990, the county's Foster Home Licensing and Support Section began reviewing the county's monthly reports regarding overplacement of children to determine whether any foster parents were receiving foster care payments for more foster children than the law allows. As a result of this February 1990 review, the county found 7 of the approximately 3,900 foster homes in the county that were caring for more foster children than the law allows.

According to a deputy children's services administrator for the Family Maintenance and Reunification units, one of the causes for these instances of overplacement was that many of the social workers did not use the county's automated system for tracking vacancies in foster homes in the manner that the county had intended. Instead, the social workers used the automated system as a backup system only, relying primarily on their own informal network of contacts and sources, such as other social workers and foster parents, to find foster home vacancies. Further, the social workers frequently failed to update the automated system when other sources were used. As a result, the automated system often showed vacancies where none existed, or did not show vacancies where one or more existed. Finally, according to this official, foster parents sometimes tell social workers there are vacancies in their home when there are none.

**Effects of
Placing
Too Many
Foster Children
in Homes**

Overcapacity of a foster home may result in neglect of the children. For example, the county found 20 children to be living in one foster home, 13 of whom were foster children. Ten of the children slept on the garage floor. The remaining 10 children slept on the floor in a bedroom. In another instance, while investigating a child's death in a foster parent's home, sheriff's deputies found 20 babies in the living room, two to a crib, with only one adult supervising them. The sheriff's deputy who was investigating the death of the baby told a county foster home investigator that he felt that the foster mother had so many

children that she could not have supervised them as closely as needed. According to the county, a foster mother who was responsible for one of the children after they were removed reported that the child had fecal matter on his buttocks and thighs, and his scrotum was enlarged. In addition, this foster mother stated that another child, after being removed from the home, was found during a bath to have gunk in his hair, and his bath water was dark brown. All of the foster children in these two homes were removed, and the department subsequently revoked their licenses.

Conclusion The Los Angeles County Department of Children's Services (county) may be placing more special needs children into foster homes than is allowed by law because the county has not yet implemented the laws for limiting the number of special needs children in foster homes. Also, the county's social workers are placing more foster children in foster homes than the law allows because the social workers do not always follow county placement procedures. As a result of overplacing foster children, the children may not be receiving adequate or appropriate care.

Recommendations To ensure that the Los Angeles County Department of Children's Services is appropriately placing foster children in foster homes, the county should take the following actions:

- Identify all the foster homes where there are more than two special needs children, or three special needs children in special circumstances, and relocate those children who are in excess of the legal limit and place them in an appropriate setting; and
- Enforce the procedures that social workers should use when selecting foster homes for children.

To ensure that foster homes in the county are caring for the appropriate number of foster children, the Department of Social Services should take the following action:

- Monitor the county's progress in complying with state laws that allow only two special needs children, or three special needs children in special circumstances, to be placed in a foster home.

Chapter 3 The State's Oversight of Los Angeles County's Foster Care Program and Its Process for Revoking Foster Home Licenses Need To Be Improved

Chapter Summary

The Department of Social Services (department) did not conduct compliance audits of the foster care program of the Los Angeles County Department of Children's Services (county) every three years as required by its state plan. The department also did not ensure that the county corrected deficiencies found during the last compliance audit and is taking an average of 12 months to complete license revocations against foster parents who may be neglecting or abusing foster children. Specifically, the department conducted a statewide compliance audit in 1986 and found 37 counties out of compliance with state regulations, including the Los Angeles County Department of Children's Services. However, the department did not request corrective action plans from the counties until July 31, 1989, to be submitted by November 1, 1989. Twenty-four of the 37 counties, including Los Angeles, submitted corrective action plans to the department by December 31, 1989, but as of August 29, 1990, the department has not reviewed or ensured the implementation of these plans, nor has the department conducted another compliance review to determine whether the problems found in 1986 still exist. For example, the department's compliance review of the county during 1986 found that the county did not conduct all required visits with foster children, and, as we discuss in Chapter 1 of this report, the county still is not making all the required visits. As a result of these conditions, the department is not ensuring that the county is providing adequate services to children and families to safeguard the children's growth and development and to facilitate family reunification. In addition, the department may be putting the State at risk of having more than \$78 million in federal funds withheld because the federal government can withhold funds from a state that does not comply with its state plan.

Further, our review of 100 processed requests for license revocations against foster parents who may be neglecting or abusing foster children in the county found that the department took an average of 12 months to complete the license revocations. Since foster children may reside in the foster home until the revocation is completed, abuses may continue, thus, endangering the lives of the foster children.

**Lack of
Statewide
Compliance
Reviews of the
Foster Care
Program**

The purpose of conducting compliance reviews is to ensure that the counties' Child Welfare Services programs are conducted in compliance with federal and state laws and regulations. Section 10553 of the Welfare and Institutions Code requires the director of the department to administer the laws pertaining to public social services. Additionally, Section 16501 of this code requires the county to provide child welfare services to children and families in accordance with regulations promulgated by the department. The Child Welfare Services program includes Family Reunification and Permanent Placement, the two foster care programs.

Further, the United States Code, Title 42, Section 671, requires the department to monitor and conduct periodic evaluations of the Child Welfare Services program. To meet the federal requirement, the Title IV-B Child Welfare Services State Plan outlines a statewide compliance review process through which the department would review each county's Child Welfare Services program every three years.

The department conducted statewide compliance reviews of the Child Welfare Services program in 1983, 1984, and 1986. The 1986 compliance review found 37 counties out of compliance with state regulations, including the Los Angeles County Department of Children's Services.

After the 1986 compliance review, the department agreed to postpone requesting corrective action plans from the counties until after the department provided corrective action training

workshops to assist counties in developing the corrective action plans. The department presented the workshops to all counties in the summer of 1988; however, it did not issue notices of noncompliance to the counties until July 31, 1989. In these notices, it requested corrective action plans by November 1, 1989. We could only verify that 24 of the 37 counties, including Los Angeles, submitted corrective action plans by December 31, 1989. However, according to the chief of the Child Welfare Services Systems and Operations Branch, as of August 29, 1990, the department still had not reviewed or ensured the implementation of these corrective action plans, nor has it conducted another compliance review to determine whether the problems found in 1986 still exist.

For example, the department's compliance review of the county during 1986 found that the county did not conduct all required visits with foster children. The county's failure to conduct face-to-face visits was also a problem the department found in its 1983 and 1984 compliance reviews, and, as we discuss in Chapter 1 of this report, county social workers still are not making all the required visits. Our review of 40 foster care cases, conducted in one region of the county for the period from January 1988 through April 1990, found that social workers only made 194 (41 percent) of the 469 required face-to-face visits with foster children. Further, in 1986, the department found that the county did not always obtain the parent's signature on the latest service plan, and later, county internal compliance reviews conducted from May 1988 through July 1989 found that social workers still were not always obtaining the parent's signature on the latest service plan.

The department's Child Welfare Services Operations Bureau (bureau) is responsible for conducting compliance reviews of the counties' Child Welfare Services programs, working with counties to develop corrective action plans, monitoring those plans, and providing technical assistance, consultation, and training to all county welfare departments. According to the chief of the Child Welfare Services Systems and Operations Branch, all of the resources of the bureau during the past two years have been

directed toward two higher priority efforts, resulting in the redirection of staff from the planned three-year cycle of compliance monitoring. The first of these efforts was the development of a Feasibility Study Report and Request for Proposal for the implementation of a Statewide Child Welfare Services Case Management System, which is mandated to be implemented statewide by July 1993. The second higher priority effort is focused on two issues at the Los Angeles County Department of Children's Services.

The first issue is a class action lawsuit filed against the county in August 1988 that claims that the county is not complying with the state requirements for visitations between social workers and foster children. In November 1988, the State was named as a codefendant in this lawsuit, and in April 1989, the State filed a cross-complaint against the county seeking to compel the county to comply with state regulations for visitations. In the county's answer to the State's cross-complaint, filed June 30, 1989, the county claimed that state regulations are not mandatory, that the department had not made a determination that the county was out of compliance, and that the department had not notified the county that they were out of compliance. The department notified the county on July 10, 1989, that they were out of compliance with state visitation regulations, and the court ordered the county to respond to the notice of noncompliance by submitting a visitation corrective action plan. The county submitted two draft corrective action plans during 1989 and submitted the final plan on January 3, 1990. The department rejected this corrective action plan on February 2, 1990. According to the chief of the Child Welfare Services Systems and Operations Branch, staff from the Field Operations Unit of the bureau were devoted to preparing materials and documents for the numerous court hearings.

The second issue was the department's decision to conduct a caseload study. As a result of discrepancies in the county's caseload data, the department decided to conduct an extensive study to determine the accuracy of the county's caseload and determine whether the county is being appropriately funded. The

department redirected all of the staff in the Field Operations Unit of the bureau to conduct the field portion of the study, except for one member who remained in Sacramento to respond to questions from the remaining 57 counties.

Because of the department's inadequate oversight of the county's foster care program, the department is not ensuring that the county is providing adequate services to foster children and families to safeguard the children's growth and development and to facilitate family reunification. In addition, the department may be risking the deferment and loss of federal funds by not conducting statewide compliance reviews of the Child Welfare Services program every three years. The United States Code, Title 42, Section 671, states that the federal government may withhold funds from a state that does not comply with its approved state plan. The federal portion of the State Child Welfare Services program for fiscal year 1989-90 was \$78,910,000.

**Slow License
Revocation
Process**

Section 1551 of the Health and Safety Code requires that the department process license revocations of foster homes, when they are necessary, in a timely and expeditious manner. We reviewed department records that show 148 complaints against foster parents, from January 1986 through May 1990, for which the county requested license revocations. As of May 1990, the department had not completed 48 of the 148 actions, and of these 48 pending actions, 27 (56 percent) have been pending for more than 12 months. Some of these delays may be due to the scheduling of administrative hearings by the Office of Administrative Hearings. Administrative hearings are scheduled if the foster parent requests a hearing on the license revocation. For the 100 requests for license revocations that the department completed, the department took an average of 12 months. Table 2 shows the time it took the department to process closed requests for license revocations from January 1986 through May 1990.

**Table 2 Time Taken To Process Closed License Revocations
January 1986 Through May 1990**

Year Complaint Received by the Department	0-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	More Than 30 Months	Total Actions
1986	0	2	4	4	0	3	13
1987	4	7	8	2	4	0	25
1988	11	12	16	6	1	0	46
1989	11	4	1	0	0	0	16
Total	26	25	29	12	5	3	100

According to an assistant chief counsel of the department, actions taken against foster parents should be completed according to the priority of the complaint. Specifically, the department's legal division prioritizes actions against licensees of foster homes, day care homes, adult residential care homes, small family homes, group homes, and residential homes for the elderly. The actions against foster care licensees are prioritized based on the seriousness of the complaint, whether the perpetrator is still in the facility, whether the foster children are still living in the home, and how old the complaint is. However, we found that the department's priority system does not include deadlines for completing the actions to ensure that all of the actions are completed promptly.

According to an assistant chief counsel of the department, there are several reasons why many of the actions taken against foster parents in the county took so long to complete. For instance, until October 1, 1990, the county received complaints against foster parents, conducted investigations to obtain evidence, and forwarded the case to the department for legal action. Some of the complaints did not get referred to the department until months or even years after the incident, resulting in delays for the department in gathering evidence to take legal action. For example, according to county and state records, in one case, the

county took more than three and one-half years to request a license revocation against a foster parent. Also, the assistant chief counsel stated that the county, in a number of situations, sent cases to the department without sufficient evidence to proceed, creating the need for further investigations, which resulted in delays.

In addition, based on our review, the department does not have formal procedures that include steps to be taken or a time period in which these steps will be taken. For example, when the department receives a request for a license revocation, the department does not assign a due date for the revocation to be processed.

Foster parents who continue to care for foster children when a complaint of a serious nature, such as physical and sexual abuse, has been substantiated against a foster parent may endanger the lives of the foster children living in the home. For example, on February 22, 1989, the county requested the department to revoke a foster parent's license for using corporal punishment on foster children. A foster mother punished two foster children by whipping them with an extension cord and belt, leaving the children with scars and bruises on their legs, arms, backs, and other parts of their bodies. However, the county continued to place foster children in this home. For instance, on March 23, 1989, the county placed a foster child in this home and allowed the child to live there as late as August 6, 1990. Furthermore, on April 5, 1989, the county placed another foster child in the home. This child remained in the home until April 10, 1989. Finally, the county placed yet another foster child in this home on April 21, 1989, who was not removed until August 6, 1990. As of September 25, 1990, the revocation against this foster parent's license was still pending. All of these foster children have since been removed from the home. In another case, the county requested the department to revoke the license of a foster parent on August 14, 1989. The foster father was alleged to have fondled a 14-year-old friend of his daughter who was visiting in the home. However, the two foster children living in the home were not removed from the home until October 12, 1989. As of September 25, 1990, this case

was still pending. For both of these cases, the county indicated to the department that there were no foster children living in these homes at the time the license revocation actions were requested.

Conclusion The Department of Social Services did not conduct compliance reviews of the foster care program of the Los Angeles County Department of Children's Services every three years as required. The department also did not ensure that the county corrected the deficiencies found during the last compliance review. Specifically, the department conducted a statewide compliance review in 1986 and found the county to be one of 37 counties out of compliance with state regulations. The department did not request corrective action plans from the counties until July 31, 1989, to be submitted by November 1, 1989. Twenty-four of the 37 counties, including Los Angeles, submitted corrective action plans to the department by December 31, 1989, but as of August 29, 1990, the department has not reviewed or ensured the implementation of these plans, nor has the department conducted another compliance review to determine whether the problems found in 1986 still exist. As a result of these conditions, the department is not ensuring that the counties are providing adequate services to foster children and families to safeguard the children's growth and development and to facilitate family reunification. In addition, the department may be putting the State at risk of having federal funds withheld because the federal government can withhold funds from a state that does not comply with its state plan. Further, our review, from January 1986 through May 1990, of 100 processed requests for license revocations against foster parents who may be neglecting or abusing foster children found that the department took an average of 12 months to process the actions. Since foster children may reside in the foster home until the action is completed, abuses may continue, thus, endangering the lives of the foster children.

Recommendations

To ensure that the counties' foster care programs, including the foster care program of the Los Angeles County Department of Children's Services, are administered in compliance with state requirements, the Department of Social Services should take the following actions:

- Conduct statewide compliance reviews of the Child Welfare Services program every three years as required by the state plan for Child Welfare Services;
- Develop formal procedures for ensuring that counties take corrective action once the department has determined that the counties are out of compliance with state regulations. The department should ensure that the counties' corrective action plans specify the deadlines for implementing the actions; and
- Establish formal procedures for the timely processing of license revocations against foster parents. These procedures should include deadlines for completing the actions.

Chapter 4 The State's Foster Care Program Could Lose an Estimated \$156 Million in Federal Funds for All 58 Counties

Chapter Summary

The Department of Social Services (department) failed to take the necessary steps to claim an estimated \$156 million in federal funds under Title IV-E of the Social Security Act from March 1987 to June 1990. Consequently, the State has already lost an estimated \$76 million for costs incurred before October 1, 1988, because the deadline for claiming these past costs expired as of October 1, 1990. Also, the State could lose the remaining approximately \$80 million for costs incurred between October 1988 and June 1990 unless the department claims these costs within two years of the quarters in which they were incurred. The Adoption Assistance and Child Welfare Act of 1980, Public Law 96-272, established the Federal Payments for Foster Care and Adoption Assistance program under Title IV-E of the Social Security Act. This entitlement provides funding for the proper administration of the program as well as cash assistance payments for eligible needy children in foster care. Until March 1987, the federal Department of Health and Human Services only allowed administrative costs incurred by states for children who ultimately became recipients of foster care. However, in March 1987, the Grant Appeals Board of the federal Department of Health and Human Services issued a decision that stated that administrative costs incurred on behalf of candidates for foster care who do not ultimately become recipients of foster care are eligible for reimbursement of Title IV-E funds. However, the department took more than 38 months from the date of the decision to June 1, 1990, to take the necessary steps to start the process for claiming an estimated \$48 million per year in federal Title IV-E money, and, as of September 12, 1990, it still has not submitted a claim.

**Failure to Claim
Federal Funds**

The Adoption Assistance and Child Welfare Act of 1980, Public Law 96-272, enacted Part E of Title IV of the Social Security Act, entitled, Federal Payments for Foster Care and Adoption Assistance. This entitlement provides funding for the proper administration of the program as well as cash assistance payments for eligible needy children in foster care. States are required to submit a cost allocation plan (CAP) that describes the procedures that the State will use in identifying, measuring, and allocating all agency costs incurred to support the program. The CAP and subsequent amendments are submitted to and approved by the federal Department of Health and Human Services. Once the federal department approves the CAP and any amendments, the state can submit its claim for reimbursable costs.

State law requires state agencies that are eligible for federal programs to apply for the maximum amount of federal funds allowable under federal law. In addition, according to the Code of Federal Regulations, Title 45, Part 95, a state may claim federal reimbursement for expenditures incurred for the Title IV-E program only if the state files a claim for expenditures within two years after the calendar quarter in which the expenditure was incurred.

Until March 1987, the federal Department of Health and Human Services only allowed administrative costs incurred by states for children who ultimately became recipients of foster care. However, the Grant Appeals Board of the federal Department of Health and Human Services issued a decision in March 1987 that stated that administrative costs incurred on behalf of candidates for foster care who do not ultimately become recipients of foster care are also eligible for reimbursement of Title IV-E funds. Administrative costs are those costs associated with such activities as making eligibility determinations, preparing case plans, or preparing for and participating in judicial determinations.

However, it took the department more than 38 months to take the necessary steps to start the process for claiming the additional Title IV-E funds, and as of September 12, 1990, the department

still has not submitted a claim. Specifically, it wasn't until March 1988, that the department formed a committee to determine whether the State could claim additional Title IV-E money based on the 1987 decision of the Grant Appeals Board. The committee's draft report, issued in September 1988, estimated that, for the 1988-1989 fiscal year, the State could claim approximately \$48 million more in federal funds for administrative costs of the foster care program. In April 1990, the department hired a consultant to design and implement a system that would identify these additional administrative costs, and the department submitted a revised CAP in June 1990. However, according to the deputy director of administration, as of September 12, 1990, the department still has not filed a claim for these additional costs.

Department records show that at least 12 other states revised their CAPs allocation plan to claim reimbursement for these additional administrative costs. For example, the State of Washington revised its procedures in May 1988 and submitted a claim and is receiving reimbursement for these additional costs. Also, the State of Washington claimed retroactive costs and received federal reimbursement for expenditures incurred in fiscal year 1985-86.

According to the department's deputy director for administration, September 1988 was the first point at which the department had a complete analysis of the activities that had been approved for the additional Title IV-E funds and a clear indication that modifications to its cost allocation system could lead to additional Title IV-E funds. Thus, the deputy director for administration stated, the department was 18 months late in taking the steps necessary for claiming additional funds, not three years. The deputy director also stated that the delay in taking these steps was due, in part, to the counties' insistence that any additional federal money received would be allocated to the counties to operate the Child Welfare Services program. In addition, department officials were concerned that a new system for claiming additional funding, implemented at the county level, without the approval and involvement of the counties, could lead to inaccurate reporting, which would lead to the denial of federal

funds. However, once the department hired a consultant to do the work necessary for revising the CAP, the department took only three months to submit a revised CAP.

Because the department has not submitted a claim, the State has already lost an estimated \$76 million for costs incurred before October 1, 1988, because the deadline for claiming these past costs passed as of October 1, 1990. Also, the State could lose the remaining \$80 million for costs incurred between October 1988 and June 1990 unless the department claims these costs within two years of the quarters in which they were incurred. Our dollar estimates are based on the department's assessment that \$48 million more a year could be claimed in Title IV-E funds.

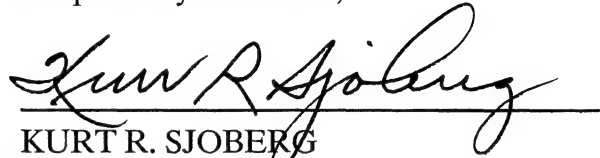
Conclusion The Department of Social Services is responsible for ensuring that the State receives all the available federal funds for providing Child Welfare Services. However, the department has not claimed an estimated \$156 million in federal Title IV-E funds as of September 12, 1990. As a result, the State has already lost an estimated \$76 million for costs incurred before October 1, 1988, because the deadline for claiming these costs expired as of October 1, 1990. In addition, the State could lose the remaining estimated \$80 million for costs incurred between October 1988 and June 1990 unless the department claims these costs within two years of the quarters in which they were incurred.

Recommendations To ensure that the State receives all available federal funds, the Department of Social Services should take the following actions:

- Aggressively pursue all available federal funding. This includes revising the State's cost allocation plan to include additional federal funding when made available and filing claims promptly; and
- Claim retroactive costs for the period between October 1988 and June 1990.

We conducted this review under the authority vested in the auditor general by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,


KURT R. SJOBERG
Auditor General (Acting)

Date: December 10, 1990

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Appendix A

Appropriations for the Child Welfare Services Program and Cash Assistance Payments for Fiscal Years 1987-88, 1988-89, and 1989-90

	1987-88 (in thousands)				1988-89 (in thousands)				1989-90 (in thousands)			
	Federal	State	County	Total	Federal	State	County	Total	Federal	State	County	Total
Child Welfare Services												
Emergency Response	\$ 18,609	\$ 99,292	\$22,109	\$140,010	\$ 20,601	\$101,408	\$52,868	\$174,877	\$ 22,055	\$117,150	\$ 55,406	\$ 194,611
Family Maintenance	0	47,267	8,863	56,130	0	54,035	0	54,035	0	72,484	0	72,484
Family Reunification	23,794	30,269	10,138	64,201	25,103	42,402	0	67,505	27,052	48,147	0	75,199
Permanent Placement	9,665	12,912	4,205	26,782	14,939	26,355	0	41,294	19,862	34,670	0	54,532
Emergency Assistance	11,910	18,242	5,653	35,805	2,681	21,570	0	24,251	0	31,634	0	31,634
Other	6,823	679	12,447	19,949	12,835	1,547	15,524	29,906	9,941	3,335	20,073	33,349
Total Child Welfare Services												
	70,801	208,661	63,415	342,877	76,159	247,317	68,392	391,868	78,910	307,420	75,479	461,809
Cash Assistance Payments ^a												
	106,353	315,995	16,915	439,263	131,446	400,281	21,068	552,795	159,735	499,703	26,301	685,739
Total Funding Sources												
	\$177,154	\$524,656	\$80,330	\$782,140	\$207,605	\$647,598	\$89,460	\$944,663	\$238,645	\$807,123	\$101,780	\$1,147,548

^aThese amounts do not include allocations for administering the cash assistance program for eligible children in foster care. These allocations were \$28 million for fiscal year 1987-88, \$33 million for fiscal year 1988-89, and \$41 million for fiscal year 1989-90.

Source: The Department of Social Services

Appendix B List of Compliance Review Questions for the Family Reunification and Permanent Placement Programs

Family Reunification (FR)

Critical Elements¹

1. Is there a current (re)assessment in the case record?
2. Is there a current FR service plan in the case record?
3. Was the latest court review completed within the required time frame?

Essential Elements²

4. Was the initial FR service plan developed by the social worker within the required time frame?

¹Critical Elements are those identified by Section 427 of Title IV-B of the Social Security Act as major safeguards of the rights of children and parents receiving Child Welfare Services.

²Essential Elements are those requirements identified by the Social Security Act as procedural protections that should be afforded to children and parents, as well as requirements specific to the Manual of Policies and Procedures, Division 30 Regulations.

5. Does the initial FR service plan include written supervisory approval?
6. Does the latest service plan include a description of the service objectives based on the (re)assessment?
7. Does the latest service plan include a description of the actions planned by the parent(s)/guardian(s), child, agency, and foster parent(s) to achieve the service objectives?
8. Did the social worker obtain or attempt to obtain the parent'(s)/guardian'(s) signature on the latest service plan, or document the reason the parent failed to sign?
- 9A. Was contact made with parent(s)/guardian(s)?
- 9B. Was contact made with child within the latest required time frame?
10. Is there a current arrangement for visits between parent(s)/guardian(s) and child, or documentation justifying less frequent contacts?
11. Did the social worker have contact with the foster parent(s) within the latest required time frame?
12. Does the service plan include a description of the type of home/facility in which the child is to be placed and appropriateness of it?
13. For the detention hearing, does the court order for removal state that reasonable efforts were made to prevent placement, or in an emergency situation that the lack of preplacement preventive efforts was reasonable?
14. Was the latest court review open to parent'(s)/guardian'(s) and child's participation?

15. Did the latest court review determine the continued necessity for and appropriateness of the placement?
16. Did the latest court review determine the extent of compliance with the service plan?
17. Did the latest court review determine the extent of progress in alleviating the problems which resulted in the child's placement?
18. Did the latest court review project a likely date for reunification or permanent placement?
19. Is there current identifying information pertaining to the child and foster parent(s)/facility on the Foster Care Information System (FCIS) document?
20. Did the social worker and adoption worker jointly review the case record to determine the potential for adoption within one year of placement?

**Permanent
Placement
(PP)**

Critical Elements¹

1. Is there a current (re)assessment in the case record?
2. Is there a current PP service plan in the case record?
3. Was a Permanency Planning Hearing held within 18 months of removing the child from the home?

¹Critical Elements are those identified by Section 427 of Title IV-B of the Social Security Act as major safeguards of the rights of children and parents receiving Child Welfare Services.

4. After the Permanency Planning Hearing, was the latest subsequent hearing completed on time?

Essential Elements²

5. Was the initial PP service plan developed by the social worker within the required time frame?
6. Does the initial PP service plan include written supervisory approval?
7. Was the contact made with the child within the latest required time frame?
8. Did the social worker have contact with the foster parent(s) within the latest required time frame?
9. Does the service plan include a description of the type of home/facility in which the child is to be placed and the appropriateness of it?
10. Was the latest court/administrative review open to parent'(s)/guardian'(s) and child's participation?
11. Did the latest court/administrative review determine the continued appropriateness of the permanent plan?
12. Did the latest court/administrative review determine the extent of compliance?

²Essential Elements are those requirements identified by the Social Security Act as procedural protections that should be afforded to children and parents, as well as requirements specific to the Manual of Policies and Procedures, Division 30 Regulations.

13. Is there current information pertaining to the child's actual physical location on the Foster Care Information System (FCIS) document?

Source: The California State Department of Social Services' Child Welfare Services Case Review Manual (6/12/88)

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 5, 1990

Kurt R. Sjoberg,
Acting Auditor General
Office of the Auditor General
660 J Street, Suite 300
Sacramento, CA 95814

Dear Mr. Sjoberg:

OFFICE OF THE AUDITOR GENERAL'S (OAG) DRAFT AUDIT REPORT P-927 ENTITLED "LOS ANGELES COUNTY NEEDS TO IMPROVE ITS SERVICES TO FOSTER CHILDREN AND THE STATE NEEDS TO IMPROVE ITS OVERSIGHT OF THE COUNTY'S FOSTER CARE PROGRAM".

Mr. Clifford Allenby, Secretary, Health and Welfare Agency, has asked me to review and comment on the above named OAG draft audit report. Attached are the Department of Social Services (DSS) comments in response to the findings and recommendations contained in this report which apply to the DSS.

We sincerely appreciate the many opportunities you have provided us to furnish information and comment on your findings throughout this audit.

If you have any questions regarding our comments, please contact me at (916) 445-2077, or have your staff contact Mr. Robert L. Garcia, Deputy Director, Administration, at (916) 445-4622.

Sincerely,

A handwritten signature in cursive script, reading "Linda S. McMahon", is positioned above the typed name.

LINDA S. McMAHON
Director

Attachment

DEPARTMENT OF SOCIAL SERVICES (DSS) RESPONSE

Following are DSS comments in response to audit findings and recommendations which apply to the Department and which are contained in the Office of the Auditor General's (OAG) draft audit report entitled "Los Angeles County Can Improve Its Services to Foster Children and The State Department of Social Services Can Improve Its Oversight of the Foster Care Program/P-927".

Part II

Los Angeles County May Be Placing More Children
In Foster Homes Than The Law Allows

Recommendation 3: The Department of Social Services should monitor the County's progress in complying with State laws that allow only two special needs children or three special needs children in special circumstances, to be placed in a foster home.

DSS Response: The Department began direct administration of foster family home licensing in Los Angeles County effective October 1, 1990. Before that date foster family homes in that County were licensed by the County of Los Angeles Department of Childrens Services, under contract with the DSS.

The Department, as part of its direct administration of foster family home licensing in Los Angeles County, is presently evaluating foster family homes with special needs children against the statutory limits on such placements in Welfare and Institutions Code (W&I Code) Section 17731 and Health and Safety Code Section 1507.5. The Department's review is occurring at the time of annual license renewal, if not sooner, so that the cycle of such reviews will be completed by October 1, 1991. The Department has notified all Counties of the limits and the Department's Los Angeles County foster family home licensing staff

received specific training on those statutory requirements during October 1990. Foster family homes which are found to be out of compliance with those limits are being cited for the deficiency and given a fixed period of time in which to come into compliance.

Part III

The State's Oversight Of Los Angeles County's Foster Care Program And Its Process For Revoking Foster Home Licenses Need To Be Improved

Lack of Statewide Compliance Reviews of the Foster Care Program

Recommendation 1: The Department of Social Services should conduct statewide compliance reviews of the Child Welfare Services Program as required by the State plan for Child Welfare Services;

DSS Response: The October 1, 1988-September 30, 1991 Title IVB Child Welfare Services State Plan included the Department's objective to implement a statewide three-year compliance review cycle and corrective action monitoring. This plan was updated in 1989 and 1990 and currently reflects an implementation date of March 1, 1991 to begin the first three-year cycle of the statewide compliance review process.

We agree that statewide compliance reviews and corrective action monitoring should occur. However, the magnitude of the problems with Los Angeles County required the redirection of existing staff at the expense of the rest of the State. Compliance reviews in other Counties were suspended in order to take the steps necessary to ensure the children in Los Angeles County were being adequately protected. Since Los Angeles County comprises over 30 percent of the statewide foster care caseload, it seemed to be a reasonable and prudent deployment of resources.

Additionally, resources required to continue monitoring activities in Los Angeles County were recently approved allowing for redirection of the existing staff to the remainder of the Counties. The implementation of the statewide three-year compliance review cycle and corrective action monitoring is now a first priority activity for the remaining staff of the CWS Operations Bureau. During the next few months, we will be finalizing policies and procedures necessary to begin our three-year review cycle. The Department is committed to improving and maintaining program performance at the County level, and has developed a work plan with a timeframe to internally monitor this important function.

As a result of the findings of the 1986 Statewide Compliance Review, which was completed in the spring of 1987, the Department and the County Welfare Directors Association (CWDA) formed a joint task force. The purpose of this task force was to look at the findings of the review and identify the major causes of noncompliance.

The primary causes identified were:

1. Counties were unclear about the standards by which their performance would be measured and about what would be required to develop corrective action plans.
2. Parts of the regulations were vague or contained unnecessarily restrictive standards which did not appear to enhance the delivery of services to families and children.
3. Juvenile Court judges were unaware of State regulations and often imposed requirements which were in conflict with those regulations.

In response to these identified causes, CWDA and the Department agreed that requiring formal corrective action plans without first ensuring that all Counties were fully aware of the requirements and the expectations of the State would be inefficient. We further agreed that a major review of the regulations was required and to impose a formal corrective action plan prior to the review and implementation of new regulations would be premature.

The Department agreed to implement the following three statewide corrective action measures prior to requiring a formal corrective action plan:

STATEWIDE CORRECTIVE ACTION TRAINING

A two-day training program was developed and conducted at various locations throughout the State. All Counties were encouraged to attend; however, those Counties who did not pass the 1986 Compliance Review were required to attend. The training, completed in the summer of 1988, included the following:

1. Instruction on the compliance review standards, the distribution of a Compliance Review Handbook, and instruction on how to use the Handbook to conduct internal compliance monitoring.
2. Instruction on how to analyze the results of a compliance review, identify the causes and extent of noncompliance, develop alternative solutions, select the appropriate solutions, develop implementation plans and timelines and evaluate the effectiveness of the corrective action.
3. Information on the effective forms, systems and controls developed by some Counties for the use of all Counties in developing and implementing corrective action.

4. Information on the Department's proposed three-year compliance review process.

REGULATORY REVIEW AND REVISION

The Department and the CWDA formed another task group to review the regulations. The regulation package was presented at public hearings in April 1989 and became effective in August 1989.

JUDICIAL INTERFACE

To improve the cooperation and coordination among the Juvenile Court, County Welfare Departments and the State Department of Social Services, the Department coordinated a statewide conference. This conference focused on opening the communications and improving the relationship between State and County Child Welfare Services Agencies and the Juvenile Courts. The first conference was held in December 1988. A conference has been held annually with the third statewide conference scheduled for February 1991.

On July 31, 1989, after the Department had completed implementation of the three statewide corrective action measures, corrective action plans were requested from the Counties.

LOS ANGELES COUNTY COMPLIANCE ACTIONS

The Department has engaged in a number of activities which were directly related to improving the compliance of Los Angeles County. We believe that all informal remedies should be utilized in an effort to foster a cooperative and collaborative environment. Unfortunately, because of the County's resistance and lack of cooperation with regard to those efforts, success has been elusive and has led to a formal notice of noncompliance under the provisions of Section 10605 of the Welfare and Institutions Code. Implementation of administrative remedies available to the Department under that section is the final

and most adversarial step in any process used to assist a County in improving compliance.

The following activities demonstrate the tremendous amounts of staff resources this Department has dedicated on an ongoing basis since 1983 to assure Los Angeles County's compliance with the Child Welfare Services regulations.

The Department has dedicated tremendous amounts of staff resources on an ongoing basis since 1983 to assure Los Angeles County's compliance with the Child Welfare Services regulations. In 1983 as a result of a compliance review, the Department unsuccessfully attempted to work with the County toward compliance. In 1984 the Department commenced compliance action pursuant to W&I Code Section 10605. As a part of settling the action, the County agreed to develop a corrective action plan and correct the deficiencies by November 1984. Also, effective December 1, 1984, Los Angeles County created the new Department of Children's Services as a part of their attempt to more effectively manage children's programs. The deficiencies were not corrected and the Department gave the first Director additional time to correct the deficiencies. In April 1985 she was replaced and the second Director was given additional time to correct the deficiencies.

The County again failed the 1986 compliance review. The actions taken on a statewide basis as a result of this review have already been described. However, during this time there was a consultant assigned full time to Los Angeles County to provide technical assistance and work with them toward compliance. Subsequent to the completion of the 1986 review in 1987, each time this Department discussed concerns about the performance of Los Angeles County with management of the County, high caseloads and underfunding by the State were cited as the primary causes of their noncompliance. As stated in the report, the County continues to cite high caseloads as the primary cause of noncompliance.

The Department was aware that many social workers were carrying cases far above the State budgeted standards. However the Department was unable to determine why individual caseloads were far above standards when, based on the fiscal and caseload information reported to the State, the average County caseloads were relatively close to State standards in every program except the Emergency Response Program. There were changes made in the CWS funding allocation methodology which benefited Los Angeles County, however, allegations of inadequate funding were still raised as primary causes of noncompliance.

In October of 1988 as a result of a formal request for an explanation of the discrepancies between State and County caseload figures, the County stated that the caseload information the County reported to the Department, upon which their funding is based, was inaccurate.

After numerous unsuccessful attempts to reconcile State and County caseload reporting and to discuss the performance deficiencies with County management, the Department concluded that the only way to resolve the funding issue, and begin addressing the more important programmatic issues, was to verify the accuracy of the County's internal caseload reporting system.

If the County had underreported their caseload, then additional funding was appropriate and program performance might be improved. If, however, the County had overreported or accurately reported their caseloads, the Department would have the information necessary to move forward in the efforts to improve program compliance.

The County was formally notified of the Department's intent to conduct the caseload study in June 1989. The study began in September 1989 after numerous unsuccessful attempts by the County to block the study through negotiations and court action. The preliminary results of the study in April

1990 indicated that the County had significantly overreported their caseload, and therefore had more than adequate funding from the State. The final report, issued in November 1990 found an overall error rate in their caseload reporting of 36 percent and that 17 percent of the cases reported were not fundable Child Welfare Services cases.

Therefore, the caseload study was an intensive monitoring effort aimed directly at improving County performance and not a mere "caseload count" unrelated to program performance. ①

During the same time period the Timothy J. lawsuit was filed. As stated in the report, this lawsuit was a class action suit brought by several public interest law firms against Los Angeles County in an attempt to bring them into compliance with the visitation requirements of the regulations. In November 1988, the State was named as a codefendant in the lawsuit under a motion made by the County. Because the Department was aware of the County's failure to comply with the regulatory requirements and because the Department had been unsuccessful in gaining the cooperation of the County around any programmatic issues, the decision was made to file a cross complaint. As a part of the lawsuit, the Department then filed a formal notice of noncompliance to compel the County to comply with the requirements of the regulations. The County, however, refused to voluntarily submit a corrective action plan and even under court order was unable to develop an acceptable corrective action plan.

Staff from the Operations Bureau spent numerous hours working with the County to assist them in developing a plan which identified causes, alternative solutions, implementation plans and evaluation mechanisms. After a Board of Supervisors approved plan had been rejected by the Department and several additional attempts at the development of an acceptable plan failed, the court finally ordered that a referee be appointed to mediate the development of a plan. A referee was appointed and as of November 1990, the

County has submitted a plan which is vastly improved over the first plan submitted. The most recent draft analyzes the problems and identifies causes and specific remedies. However it is still lacking adequate implementation timeframes and evaluation mechanisms.

As a result of the County's efforts to block the application of the findings from the caseload study, the Legislature became aware of the programmatic issues identified during the caseload study, the information obtained during the numerous activities associated with the Timothy J. lawsuit, and the information about the abuses in the County's implementation of the Foster Care Licensing Program. A hearing was held in May 1990 at which time the Department and several attorneys representing children in Los Angeles County testified about the County's inadequate performance and unwillingness to take corrective action. As a result of this hearing the Legislature directed the Department to determine if the County was substantially out of compliance with the provisions of regulations or statute related to the Child Welfare Services Program. The Legislature further directed that the Department commence the administrative proceedings required in the W&I Code Section 10605 to take over operation of the Child Welfare Services program in Los Angeles County if the County did not submit an adequate corrective action plan and show substantial improvement by October 1, 1990.

The information obtained during the caseload study formed the basis for a formal notice of noncompliance which was issued on August 1, 1990. In September the Director and Chief Deputy Director of the Los Angeles County Department of Social Services were dismissed and an interim manager was appointed. Since the appointment of the interim manager the County and the Department have devoted extensive resources to developing a corrective action plan.

On October 1, 1990 the County submitted a corrective action plan which was conditionally approved on November 1, 1990. The problems identified by the new management were so extensive and far reaching that the corrective action plan submitted was primarily a plan to develop a plan and did not address specific corrective action measures. Therefore the conditional approval requires that specific deliverables be submitted which do address specific remedial actions prior to the Department granting final approval of the plan. By September 1, 1991, the Department will invoke the administrative provisions of W&I Code 10605 if the County has not achieved substantial compliance. Fundamental to the Department's continued monitoring effort of Los Angeles County was the development of a quantifiable performance baseline. To do this the Department began conducting regional compliance reviews in Los Angeles County in October 1990. These reviews will be completed in all regions for all four Child Welfare Services programs in February 1991. This information will then form the baseline data against which the Department will measure the County's progress.

Prior to November 26, 1990 all the activities associated with monitoring Los Angeles County were performed by redirecting staff from their monitoring and technical assistance responsibilities toward other Counties. Funding for a Los Angeles County monitoring unit was approved and the unit has been established. Their ongoing responsibilities will be to monitor the implementation of the corrective action plan, provide technical assistance to the County in their continued efforts to develop specific corrective actions, conduct follow-up compliance reviews, monitor the County's implementation of the recommendations from the Caseload Study Report and conduct follow-up studies of the County's caseload reporting to determine improvement.

Recommendation 2:

The Department of Social Services should develop formal procedures for ensuring that Counties take corrective action once the Department has determined that the Counties are out of compliance with State regulations. The Department should ensure that the Counties corrective action plans specify the deadlines for implementing corrective actions.

DSS Response:

The Department developed a procedural model for ensuring Counties take corrective action and presented that model during the statewide training provided in 1988. The Quality Improvement Process, also presented during the 1988 training outlines the steps necessary to develop and an effective corrective action plan. Those steps included identification of causes and extent of noncompliance, development of alternative solutions, selection of specific solutions development of an implementation strategy and plan, and development of an evaluation mechanism. These elements were also required as a part of the format given to the Counties when the Department requested corrective action plans in 1989.

We are in the process now for planning the three-year compliance monitoring cycle for Counties. During Spring 1991, workshops will be held statewide. These workshops will focus on compliance testing criteria, time frames for responding to compliance reviews and deadlines for implementing needed corrective actions.

We will continue to monitor and provide ongoing consultation to Counties to assure that the plans are being implemented appropriately and that a minimal level of compliance is achieved and maintained.

As with Los Angeles, we expect that we will use all informal remedies, such as, focused training, onsite monitoring, technical assistance and, if necessary, additional reviews. We will implement a schedule of activities with affected Counties to achieve the goal of compliance in the Child Welfare Services program.

Slow License Revocation Process (Page 42)

OAG Finding:

"The Department Has a Slow License Revocation Process".

DSS Response:

The Department must point out those circumstances which are beyond the Department's control and which can greatly increase the time needed to "process" a revocation referral. Those circumstances include (a) the frequent need to obtain additional evidence after the initial case referral by the County, and () the time required for the hearing process when a licensee contests a license revocation action. Hearings are scheduled and held by another State agency, the Office of Administrative Hearings (OAH). In recent years the Los Angeles office of OAH has typically been unable to schedule hearings for sooner than six months after the Department's request for hearing dates. When a revocation case goes to hearing the time needed to "process" the case is further extended by the time taken by the OAH judge in issuing the hearing decision.

Despite these circumstances of unavoidable delay, the Department has significantly improved its timeliness in processing Los Angeles County foster care revocation referrals over the past four years. The statistics presented by the OAG concerning the department's timeliness in processing revocation referrals reveal a very marked year-to-year reduction of the Department's processing time in those cases reviewed by the OAG. ②

OAG Finding:

A foster parent who continues to care (page 33) for foster children when a complaint of a serious nature, such as physical and sexual abuse, has been substantiated against a foster parent may endanger the lives of foster children living in the home."

DSS Response:

The OAG has described two specific Los Angeles County revocation referrals, one of February 22, 1989 and one of March 23, 1989. The Department had commenced revocation

proceedings in one of those cases and a hearing was pending as of September 25, 1990; the Department had not commenced proceedings in the other case. In both cases, however, the revocation referral from Los Angeles County stated that the County had removed all foster children from the home and that the home had been placed on "DO NOT REFER" status, meaning, that no new placements were to be made in the home. The OAG report states that the County maintained children in the home, in one case, or made new placements in the home, in the other case, after the County made its revocation referrals. The Department does not locally administer Los Angeles County foster care placement and, until October 1, 1990 it had no foster care licensing field staff of its own in Los Angeles County. Thus, until October, the only practical option available to the Department was to rely upon the information provided by the County's licensing staff concerning the presence or absence of children in foster homes which had been referred for revocation by the County. At that time the Department had not been given reason to question the information provided by the County concerning the presence or absence of child placements. The Department had no reason to proceed on the assumption that foster children were in placement when the County explicitly stated that they were not, and would not be.

The Department, as has been noted elsewhere, must assign priorities in its licensing enforcement activities by criteria which include the presence or absence of children in a foster home which has been referred for revocation. Other things being equal, a home which is reported by the County to have no children in placement will receive a lower priority for action than one which does.

Recommendation 3:

The Department of Social Services should establish formal procedures for the timely processing of license revocations against foster parents. These procedures should include deadlines for completing these actions.

DSS Response:

The Department has established formal procedures for field staff processing enforcement actions. Those formal procedures have been in effect since 1987. The procedures are stated in the Department's "Licensing Administrative Action Guidebook" (36 pages and attachments) and "Injunctions and Inspection Warrants" manual (21 pages).

These publications have been distributed to field licensing staff and are available to other interested parties upon request. The Department also has written procedures for its legal enforcement staff in processing enforcement actions. However, the Department agrees that it would be desirable to compile those procedures in a single, unified format. The Department is commencing such a compilation of its legal office procedures. The Department does not now have, and does not propose to develop specific time limits for enforcement actions, for the reasons explained in the next section. ③

Current statutes provide some timelines for enforcement actions against community care facilities once an administrative action has commenced. Government Code Section 11517 specifies time limits for issuance and adoption of hearing decisions which are applicable to all license revocation actions. Health and Safety Code Section 1596.8865 specifies a timeline for suspension of a child day care license upon death or serious injury of a child in care; there is no comparable statute applicable to community care facilities. The Department does not have further specific timelines, by policy or regulation, for completing revocations and other enforcement actions. Timelines for completing enforcement actions are undesirable for two principal reasons:

- (1) The acts and omissions by licensees which can lead to enforcement referrals vary widely in their factual and legal nature. The availability of evidence initially available also varies widely. It has been, and will

remain, the Department's policy to complete enforcement actions as rapidly as the evidence becomes available and the Department's resources will allow. However, imposing fixed timelines on the universe of possible enforcement actions would lead to potential candidates for referral not being referred, because development of sufficient evidence cannot be completed within the timeline. Referrals which have already been made would be prematurely brought to hearing, or dismissed, if sufficient evidence could not be developed within the timeline. The Department believes that the theoretical benefit of timelines for enforcement actions are outweighed by the dislocation of attempting to conform the variety of real-world enforcement cases to fixed timelines.

(2) Imposing timelines for completing enforcement actions could create a new and significant State liability for civil damages judgments. If the Department is not required to meet a particular timeline in enforcement actions, the Department cannot be held liable for injuries supposedly resulting from the Department's failure to meet the timeline. However, if (for instance) the Department is required to take an enforcement action within 'x' days of an incident, and for some reason the Department does not meet that timeline, the Department would be open to liability for a subsequent injury allegedly due to the Department's not having acted within the timeline. The Department believes that the theoretical benefits of timelines for enforcement actions are outweighed by the increased public civil liability resulting from such guidelines.

Part IV.The State's Foster Care Program Could Lose An
Estimated \$156 Million In Federal Funds For All
58 Counties

Recommendation 1: The Department of Social Services should aggressively pursue all available Federal funding. This includes revising the State's cost allocation plan to include additional Federal funding when made available and filing claims promptly.

DSS Response: The Department agrees with this recommendation, and has always aggressively pursued all available Federal financial participation. The Department revised the County Welfare Department (CWD) Cost Allocation Plan (CAP) effective April 1, 1990 to identify and claim these additional Federal funds. A copy of the approval of this CAP by the Federal Department of Health and Human Services was provided to the OAG on November 7, 1990.

As the OAG report correctly states, much of the delay in the Department's efforts to implement a system to identify and claim the additional Title IV-E funds was due to the Counties' insistence that certain conditions be met prior to their cooperation and participation in this effort. It was not until the end of 1989 that we became aware of another cost plan alternative that would allow us to implement a cost plan change more quickly than we believed. To accomplish this change, the Department hired a consulting firm to develop a new system. The interim system developed by the consultant is a Random Moment Time Study (RMTS), which is a process used in addition to, rather than a replacement of the existing time study system used in the Counties. The RMTS currently in use is statistically valid only on a statewide basis, not on an individual county basis.

To the extent possible, it is the Department's intent to institutionalize RMTS and eliminate the duplicative, burdensome and costly time study system currently in place in each County.

Recommendation 2: The Department of Social Services should claim retroactive costs for the two-year period before the quarter the State filed its revised cost allocation plan.

DSS Response:

The Department agrees with this recommendation. As of November 29, 1990, the Department has submitted claims to the Federal Government for over \$90 million of additional Title IV-E funds. This amount represents the period of October 1988 through March 1990. In addition to these claims, the Department is in the process of identifying and compiling claims for additional Title IV-E funds retroactive to April 1987. We estimate that these claims will identify an additional \$60 million in Title IV-E funds. Although, these claims will represent costs incurred prior to the federally imposed two-year claiming limit, recent action affecting the State of Maryland warrants our efforts in pursuing additional Title IV-E funds for the two year period prior to our approved April 1, 1990 CWD CAP amendment. In Maryland's case, the State submitted a CAP amendment with an effective date of two years prior to the quarter in which the CAP amendment was submitted. Simultaneously, the State submitted retroactive claims for Federal funds for the same period. The DHHS denied the retroactive CAP and disallowed the corresponding claims. Maryland appealed the matter to the Departmental Appeals Board (DAB), which upheld the DHHS' action. Maryland appealed the DAB decision to the United States District Court for the District of Maryland. In essence, the court concluded that the DHHS did not have the authority to restrict the retroactive CAP and payment of the claims, and that, for the two years prior to the quarter that the CAP amendment was submitted, the retroactive claims must be allowed. We understand, however, that the DHHS is appealing this decision to the Fourth Circuit Court of Appeals. The Department will closely monitor the progress of this case.

**Comments The Office of the Auditor General's Comments on
the Response of the Department of Social Services**

We are commenting on the Department of Social Services' response to our audit report. We are commenting to provide clarity and perspective to the department's exceptions to our report. The numbers correspond to numbers we have placed in the department's response.

- ① We disagree with the department's contention that its caseload study was an intensive monitoring effort to improve the county's program performance. It was designed to improve their caseload reporting. The purpose and scope of the study, as stated in the department's report, was to develop an accurate caseload count for each of the four Child Welfare Services programs. It was also to determine the accuracy with which the information system of the Los Angeles County Department of Children's Services tracks and reports Child Welfare Services' cases to the department so that the department could make accurate fiscal decisions. The department's report stated that, because of time and resource constraints, only those data elements that impact the accurate reporting of caseloads were reviewed. Further, the county attempted to obtain an injunction preventing the department from conducting the caseload study because it believed the study would be used to gather evidence for the State's cross-complaint against the county in the Timothy J. lawsuit. In response, the department stated to the court that the study was not designed to and would not review the issues of the county's noncompliance with the department's regulations. The department's caseload study was not part of the compliance monitoring activities of the department.

- ② The department is inappropriately using our table in Chapter 3 to conclude that it has significantly improved its timeliness in processing foster home license revocations. This table only includes closed cases and was not intended to take into consideration those license revocation requests that were not completed by the department. If the remaining open cases were considered, the results of the analysis would be different. Therefore, the table cannot be used to measure improved timeliness in license revocations. The title of the table has been clarified.
- ③ We disagree with the department's position that timelines for completing enforcement actions are undesirable. Good management practices require accountability, and for the department to be accountable, timelines or milestones for completing actions need to be established. This need for accountability is even more apparent when children may be at risk of being abused.



COUNTY OF LOS ANGELES

DEPARTMENT OF CHILDREN'S SERVICES

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December 5, 1990

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Kurt R. Sjoberg
Acting Auditor General
Office of the Auditor General
660 J Street, Suite 300
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Dear Mr. Sjoberg:

Enclosed are the Department of Children's Services' comments on your report entitled "Los Angeles County Needs To Improve Its Services To Foster Children and the State Needs To Improve Its Oversight of the County's Foster Care Program."

In general, we agree with your audit findings. As you may know, for the past year the County has had corrective actions in progress directed toward improving compliance. Specifically, visitation compliance by social workers to children improved from 64% in April 1990 (the most recent month's data cited in the Auditor General report) to 86% in August 1990; visitation by social workers to parents improved from 48% in April 1990 to 70% in August 1990.

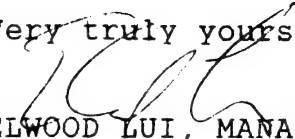
With regard to compliance with medical history requirements, in July 1990 the County instituted a monthly monitoring procedure to help enforce compliance in this area. Improvement is also occurring as a result of the monthly review process. As a longer term corrective action, the County is also redesigning a system to combine and fully document all medical activities connected with a child.

The County is likewise maintaining a strict control on the overplacement of children. A computerized monthly listing was developed in July 1990 for this purpose.

In summary, there were significant corrective actions in progress while the Auditor-General's study was being conducted. Our enclosed material references these activities to your reported findings and also addresses your recommendations.

If there are any questions, please have staff call
Ms. Genevra Gilden at (213) 351-5538.

Very truly yours,


ELWOOD LUI, MANAGER

EL:kes

Enclosure

Department of Children's Services Response
to the Auditor-General Report

Chapter 1

Visitation

The County initiated a major corrective action effort in January 1990 to improve visitation by social workers to parents and children. This effort was multi-faceted, including new instructional material, new documentation forms, training of all supervisory staff and auditing of every regional office every month. The monthly audit samples approximately 4,000 cases each month. The results for the August 1990 study month showed a 29% improvement in visitation to children in the six months between March and August 1990, from 57% to 86%. For visitation to parents, the improvement over these six months was 32%, from 38% to 70%.

Staffing

As the report points out, the County had budgeted funds for hiring social workers during the 89/90 fiscal year which could not be fully spent because of the lack of qualified candidates, including bilingual/bicultural candidates, for social worker positions. The inability to apply all allocated funds to hiring needed staff occurred despite intensive, year-round recruitment efforts, which include out of state advertising, college recruitment, job fair attendance and a myriad of similar activities. Because the hiring difficulties developed near the close of the fiscal year, the unused allocated funds needed to be returned to the State. As of October 1990, all budgeted positions were filled and the average placement caseload was 43 children for that month.

Medical Histories

The County is currently analyzing its "Medical Passport" system. This is a record of medical care which is maintained by the foster care provider and periodically updated to the case record by the social worker. While emphasizing to both foster care providers and social worker staff the importance of documenting and maintaining medical histories, the County is at the same time exploring if the current system can be revised to facilitate compliance by foster parents and social workers.

Toward this end, the County has assembled a task force of foster care providers and County staff to redesign and combine all medical activities into one program and thereby simplify documentation requirements.

Recommendations

The Auditor-General recommends that the County:

1. Fill all the social worker positions authorized by its budget.

Response

As of October 1990, all budgeted positions were filled.

2. Enforce state regulations and county policies that require social workers to periodically visit foster children and parents face-to-face and to periodically contact foster parents.

Response

As of August 1990, social workers achieved an 86% compliance level in visitation to children and a 70% compliance level in visitation to parents. Efforts continue to improve these levels still further. Monthly auditing of foster parent contact will begin in each region in January 1991.

3. Enforce state regulations and county policies that require social workers to maintain medical histories in the foster children's case files and to provide these histories to the foster parents at the time of placement.

Response

Monthly auditing of this element has been established to help enforce current policy. As a longer term commitment, the County has a task force evaluating all medical activities with a view to consolidating these activities into a single program and thereby simplifying documentation requirements. Additionally, a policy memo was issued to all staff in September 1990 emphasizing the critical importance of documenting a child's medical history and the acquisition of this information. This policy memo is distributed to all new hires and will be reissued periodically to all staff. New hires also receive specialized training on medical histories in their five day orientation training.

4. Develop and implement corrective action plans to correct the deficiencies found during the internal reviews. These plans should include the reasons for the deficiencies, the corrective actions to implement, and the deadlines for implementation.

Response

A formalized internal corrective action protocol will be developed by March 1, 1991. This protocol will establish a detailed internal corrective action model, from the identification and manner of documenting deficiencies, to implementation deadlines and post-implementation follow-up, including outcome evaluation.

Chapter II

Overplacements

When the problem of overplacements was identified, the County immediately developed a computerized control listing to identify any case which might reflect placements beyond the licensed capacity. The computerized monthly listings of possible overplacements are now routinely researched by staff and removal action, if indicated, is effected on an immediate basis.

Recommendations

The Auditor-General recommends that the County:

1. Identify all the foster homes where there are more than two special needs children, or three special needs children in special circumstances, and relocate those children who are in excess of the legal limit and place them in an appropriate setting.

Response

In July 1990, the County identified all homes with special needs children and is currently in the process of centralizing the identified cases into two units (one unit in the West Los Angeles office and one unit in the

Covina office). As part of this effort, staff will research all potential overplacements. However, before taking action on overplacements, the County is seeking clarification of State regulations as they apply to special needs children already in placement prior to the implementation of the new law (AB 2268). The County has targeted January 31, 1991 to complete assessments of all identified cases.

2. Enforce the procedures that social workers should use when selecting foster homes for children.

Response

The County is evaluating the current automated foster home vacancy system in order to make systems modifications. Once this is completed, specialized training on vacancy control procedures will be given to all involved staff (supervisory, social work and clerical). An audit procedure will also be developed by March 1991 to monitor compliance by staff.

GG:kes

cc: **Members of the Legislature**
Office of the Governor
Office of the Lieutenant Governor
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps